World Bank opinion about RBI's new Credit Policy

923. SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE :
SHRIMATI VEENA VERMA :
SHRI MURLIDHAR CHANDRAKANT BHANDARE :

Will the Minister of FINANCE be pleased to state :

(a) Whether it is a fact that World Bank in its recent review of RBI's new credit policy, expressed disappointment over the slow pace of reduction of the Statutory Liquidity Ratio in the context of the recent reduction of SLR for commercial Banks from 37.75 per cent;

(b) if so, what precise factors this disappointment was attributable to; and

(c) what was Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) No, Sir.

(b) and (c) Does not arise.

PHDCCI's request to review the Budget Proposal

924. SHRI GHUFRAN AZAM : Will the Minister of FINANCE be pleased to state :

(a) whether the recent budget proposals have severely affected the small scale units in the country;

(b) if so, whether the PHDCCI have urged Government to save the small scale units in the country by reviewing the budget proposals; and

(c) if so, what is the reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) The general scheme of excise duty concession to small scale units was modified in the budget for the year 1993-94 so as to, interalia, provide for enhancement of exemption limit from Rs. 20 lakhs to Rs. 30 lakhs for units producing goods falling under one chapter of tariff, increase in exemption limit for unregistered units from Rs. 7.5 lakhs to Rs. 10 lakhs. Duty concession for clearances above Rs. 50 lakhs and upto Rs. 75 lakhs was reduced by 5 percentage points. These changes are not affecting a large number of units in the lower segment of the small scale sector. Units with clearances above Rs. 50 lakhs and upto Rs. 75 lakhs are very marginally affected.

(b) The PHDCCI have represented for restoring the higher notional credit and for enhancing the limit of full exemption as well as concessional rate of duty, namely, Rs. 30 lakhs, Rs. 50 lakhs and Rs. 75 lakhs to a higher level.

(c) The Government have examined their suggestion and it has not been found possible to accede to their request at present.

Increase in payment of Foreign Debt

925. SHRI GURUDAS DAS GUPTA :
SHRI CHATURANAN MISHRA :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the rupee equivalent of the foreign debt and the interest payments has increased due to the devaluation and the recent changes in the exchanged rate; and

(b) if so, to what extent the increase has taken place ?